
DEWITT COUNTY APPRAISAL DISTRICT

2017

1-D-1 AGRICULTURAL GUIDELINES

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LAND DESIGNATED FOR AGRICULTURAL USE

Section 23.41 of the Texas Property Tax Code: Appraisal

(a) Land designated for agricultural use is appraised at its value based on the land's capacity to produce agricultural products.

To qualify for agricultural valuation an application must be filed with the Appraisal District between January 1 and May 1. Applications received with a postmark date after April 30 but before the appraisal records are approved, are subject to a 10% penalty for late filing. Applications received after the appraisal records are approved, cannot be considered and must be filed again the next year.

LAND PRODUCTIVITY VALUATION

The Texas Constitution permits agricultural and open-space land to be taxed generally on its agricultural use, or productivity value. This means that taxes would be assessed against the productivity value of the land instead of the market value of the land in the open market.

The two types of land and valuation are commonly called "agricultural use" or "1-d" and "open-space" or "1-d-1". The corresponding provisions of the Texas Property Tax Code are Sections 23.41 through 23.46, Agricultural Land, and Sections 23.51 through 23.57, Open-Space Land.

Under both provisions, the land must be in agricultural use and is valued in the manner. However, there are differences in qualification requirements in order to receive the productivity valuation,

1. Eligibility for 1-d Agricultural use:

- The land must be owned by a natural person. Partnerships, corporations or organizations may not qualify.
- The land has been devoted exclusively to or developed continuously for agricultural for the three years preceding the current year
- The individual is using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year.
- Agriculture is the individual's primary occupation and primary source of income
- The owner must apply for the designation each year, and file a sworn statement about the use of the land.

2. Qualifications for Open-Space 1-d-1 Agricultural Use:

- The land may be owned by an individual, corporation or partnership.
- The land must be currently devoted principally to agricultural use to the degree of intensity generally accepted in the area.
- The land must have devoted to a qualifying agricultural use for at least five of the past seven years.

- Agricultural business need not be the principle business of the owner.
- Once an application for the 1-d-1 is filed and approved, a landowner is not required to file again as long as the land qualifies, or unless the chief appraiser requests another application to be filed to confirm current qualifications.

ADDITIONAL TAXATION – ROLL BACK TAX

A rollback tax exists under either form of special land valuation. The rollback tax is imposed on the land equal to the difference between the taxes imposed on the land under productivity valuation and the taxes which would have been paid if the land was appraised at market value plus penalty and interest.

For land qualified under 1-d agricultural valuation a rollback is imposed by a sale of the land or a change of use of the land. The rollback extends to the three prior years to the year in which the sale or change of use occurs.

For land qualified under 1-d-1 valuation agricultural valuation a rollback is imposed by a change of use of the land to a non-agricultural activity. The rollback extends to the five prior years proceeding the year of the change of use.

DEWITT COUNTY APPRAISAL DISTRICT GUIDELINES FOR AGRICULTURAL LAND

Guidelines have been established by the Dewitt County Appraisal District and approved by the Dewitt County Appraisal District's Agricultural Advisory Board for the implementation of mass appraisal purposes and can be applied uniformly throughout the county.

These guidelines are to be used as a general guide for qualifying agricultural land. Exceptions are considered on a case by case basis.

DEFINITIONS OF KEY WORDS AND PHRASES

PRUDENT – Capable of making important management decisions; shrewd in management of practical affairs. Specifically, the law states that the land must be utilized as would an ordinary and prudent manager in the area of the taxing unit.

SUBSTANTIAL – Ample to satisfy; considerable in quantity. Specifically, the law states that the agricultural land must be an identifiable and substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch. Thus, when two small tracts are used together, they may become a substantial amount of land; when used separately they may not.

TYPICAL – Exhibiting the essential characteristics of a group. Specifically, the law states that Ag land will be utilized as by a typically prudent manager. Statistically, a typically prudent manager is the median farmer or rancher.

AGRICULTURAL USE TO THE DEGREE OF INTENSITY GENERALLY ACCEPTED IN THE AREA – Farming or ranching to the extent that the typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. A better understanding of the definition can be gained by identifying the key elements of the definition and explaining each as follows:

1. Degree of intensity generally accepted in the area shall mean that the farming and ranching practices (cropping patterns, planting rates, fertilizations methods, harvesting and marketing techniques, etc) are those of a typically prudent farm or ranch manager.
2. Typically prudent farm or ranch managers are ordinary farmers in terms of acres farmed as well as management ability. Given that all other factors remain constant, the number of acres farmed determines that farmer's capital structure. Typical prudent farmers or ranch managers located in the Dewitt County Appraisal District are assumed to have similar equipment or similar value and utility.
3. Simply stated, a substantial tract is a tract of land large enough to be farmed by itself in a typically prudent manner.
4. Area is interpreted to be that inside the jurisdictional boundaries of the Dewitt County Appraisal District.
5. Principally means the more important use compared with other uses to which the land is put.

GENERAL QUALIFICATIONS FOR 1-D-1 OPEN-SPACE SPECIAL VALUATION

The Texas Constitution permits special agricultural appraisal only if land and its owner meet specific requirement defining farm and ranch use. Land will not qualify simply because it is rural and has some connection with agricultural. Casual uses such as home vegetable gardens, hobby farming and ranching, or incidental cutting and baling of hay do not constitute a qualifying agricultural use.

The following guidelines have been developed based on what is typical to this area:

1. The land must be currently devoted principally to agricultural use, and the principal use of the land for 5 of the last 7 years must have been agricultural.
2. Agricultural use must be recognizable with the land, maintained in a manner that would indicate prudent management.
3. The land must be utilized to the degree of intensity that is generally accepted in the jurisdiction of the Dewitt County Appraisal District.
4. The land must be a substantial tract of land that is adequate to support a typically prudent operation and be of a usable management size for the activity involved.
5. The land must be producing an agricultural product intended for sale including but not limited to:
 - a. Livestock
 - b. Crops for human or animal food
 - c. Seed or fiber crops etc
6. The operator may be asked to provide documentation of management practices, expenses and sales, if necessary. (Feed, fertilizer, equipment invoices, sales receipts, labor expenses etc)

These guidelines are used as a general guide. There may be circumstances in agricultural operations which allow it to qualify based on its own merit. Exceptions to the general guide are handled on a case by case basis.

MINIMUM GUIDELINES FOR 1-D-1 AGRICULTURAL USE

- 1. Only the actual acreage used agriculturally may qualify for 1-d-1 agricultural valuation.**
- 2. Small acreage with a home built upon the land is primarily residential in nature, with agricultural use secondary. Open-Space land must have agricultural use as its primary in order to qualify for 1-d-1 agricultural valuation.**
- 3. Stocking ratios are based on 12 months use. A minimum of 2 animal units per property is required for any livestock operation.**
- 4. Land may layout of agricultural production for a normal rotation practices, loss of grass or water due to the lack of rain, and continue its agricultural qualification. However, if the land is out of production for longer than two years, the land may lose its agricultural qualification.**
- 5. A change of use or change of classification of the land must be reported to the Appraisal District. A change of use could be from agricultural use to RV park, any commercial or recreational use. A change of classification could be from native land to improved pasture.**

CATTLE

Degree of Intensity (Stocking Ratio):

1 weaned calf or yearling	0.6 animal unit
1 steer or heifer (1 to 2 years)	1.0 animal unit
1 mature cow, with or without un-weaned Calf at her side	1.0 animal unit
1 bull (2 years or over)	1.3 animal unit

Important: Two animal units or less than 10 acres in agricultural use requires onsite inspection by the Appraisal district staff.

Cow/Calf – This operation is in the business of raising cattle for sale to either processors or to other operators for breeding stock.

Feeder/Stocker – This operation is in the business of raising cattle for processors.

Animals Used for Cutting – Would not qualify. This type of animal is used for recreational purposes.

Management Practices:

1. Fences Maintained
2. Stock Water
3. Weed Control
4. Fertilize
5. Marketing

Animal Units Per Acre:

Good Production	1 animal unit per 3-6 acres
Average Production	1 animal unit per 7-20 acres
Poor Production	1 animal unit per 21-50 acres

SHEEP

Degree of Intensity (Stocking Ratio):

5 weaned lambs to yearlings	0.6 animal unit
5 mutton or ewes (1 to 2 years)	1.0 animal unit
5 mature ewes, with or without unweaned lambs by their side	1.0 animal unit
5 ram	1.3 animal unit

Important: Two animal units or less than 10 acres in agricultural use requires onsite inspection by the Appraisal district staff.

Management Practices:

1. Fences Maintained
2. Stock Water
3. Market (wool, mohair and/or meat)

Animal Units Per Acre:

Good Production	1 animal unit per 3 acres
Average Production	1 animal unit per 5-10 acres
Poor Production	1 animal unit per 20 acres

GOATS

Degree of Intensity (Stocking Ratio):

6 weaned kids to yearlings	0.6 animal unit
6 mutton or does (1 to 2 years)	1.0 animal unit
6 does with or without unweaned Kids by their side	1.0 animal unit
6 bucks or mutton over 2 years	1.3 animal unit

Important: Two animal units or less than 10 acres in agricultural use requires onsite inspection by the Appraisal district staff.

Management Practices:

1. Fences Maintained
2. Stock Water
3. Market (wool, mohair and/or meat)

Animal Units Per Acre:

Good Production	1 animal unit per 3 acres
Average Production	1 animal unit per 5-10 acres
Poor Production	1 animal unit per 20 acres

HORSES

Degree of Intensity (Stocking Ratio):

1 yearling	0.78 animal unit
1 horse over 2 years	1.0 animal unit
1 horse over 3 years	1.25 animal unit

Important: Two animal units or less than 10 acres in agricultural use requires onsite inspection by the Appraisal district staff.

This operation is directed to breeding operations. By-products are colt and fillies. This operation involves having brood mares. Usually includes special facilities and pasture is normally coastal.

Horses stabled, trained or used for recreational purposes do not qualify for agricultural use.

Management Practices:

1. Fences Maintained
2. Stock Water
3. Marketing
4. Breeding Records

EXOTICS

Degree of Intensity:

Deer	6 adult head and not less than 5 acres
Ostrich and Emus	25 adult head and only the fenced area may qualify for ag use

This operation is in the business of raising breeds that are not native to Texas for supplying meat and/or leather for specialty markets.

Management Practices:

1. Seven to eight foot perimeter fence
2. Market for meat and or leather
3. Maintain harvesting schedule

HAY

Not less than 5 acres in ag use. Requires an onsite inspection by Appraisal District staff. This operation involves the cultivation of planted or maintained grasses and cutting and baling in round or square bales. Proof of baling receipts, proof of sales, and proof of ownership of cattle may be required.

Management Practices:

1. Fertilize
2. Apply herbicide
3. Cut and bale with a minimum of 2 cuttings per year
4. Market or used for personal livestock feed

CROPLAND

Not less than 5 acres in ag use. Requires on onsite inspection by Appraisal District staff. This operation involves the cultivation of the soil for planting grain crops with the intent of harvest for sale or for feed.

Management Practices:

1. Shredding previous crop
2. Planting
3. Apply herbicide
4. Harvest
5. Tillage
6. Fertilize
7. Insect Control

ORCHARDS & VINEYARDS

Degree of Intensity:

Pecans	7 trees per acre (Minimum of 35 feet apart)
Peaches	14 trees per acre
Vineyard	100 plants per acre

Not less than 5 acres Pecans; 3 acres Peaches; 1 acre Vineyard in ag use. Requires an onsite inspection by Appraisal District staff. This operation is in the business of cultivating and growing trees or grapevines that produce crops of nuts and fruits.

Management Practices:

- | | |
|-------------------|-----------------------|
| 1. Weed control | 4. Pruning |
| 2. Insect control | 5. Supplemental Water |
| 3. Fertilize | 6. Harvesting |

**Beekeeping Policy for
1-d-1 Agriculture Valuation
Tax Code Sect. 23.51(2) as of Jan. 1, 2012**

Beekeeping is an agricultural use and shall qualify for agricultural use productivity valuation if used for pollination or for the production of human food or other tangible products having a commercial value. (Sec. 23.51(2) Texas Property Tax Code)

Acres Requirement: The State of Texas has set a minimum of 5 acres and a maximum of 20 acres to qualify beekeeping as an agricultural use.

Degree of Intensity: Our degree of intensity standard is set at a minimum of six colonies (hives) and 5.00 acres. The minimum degree of intensity was established using Sec. 131.001 Texas Agricultural Code. The Texas Agricultural Code's definition of an apiary (collection of bees), which is a place where six or more colonies of bees or nuclei (small mass of bees and combs of brood used in forming a new colony) of bees are kept. A colony is the hive and its equipment and appurtenances including bees, comb, honey, and pollen and brood. Typical management practices include live structure maintenance, monitoring bee health, providing supplemental food, controlling pests and harvesting products.

For each additional 2.50 acres of land one additional colony (hive) is required. Any additional acreage above 5.00 minimum but less than 7.50 acres would not require an additional colony (hive). Minimum colony (hive) requirements are as follows:

5.00 acres	6 hives
7.50 acres	7 hives
10.00 acres	8 hives
12.50 acres	9 hives
15.00 acres	10 hives
17.50 acres	11 hives
20.00 acres	12 hives

When property owners initially qualify for agricultural appraisal they must show proof of history for the agricultural use/beekeeping operation for any of the five preceding seven years. One way to confirm the history of beekeeping is through export, import or intra-state permits, which are required by the Texas Apiary Inspection Service to transport hives.

DROUGHT

When Dewitt County is under a drought declaration by the governor, then the degree of intensity generally accepted will be affected. The normal time the land remains out of agricultural production will be extended. Stocking ratios will be adjusted until conditions improve. Fence maintenance will be required to continue.